GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4185
ANSWERED ON:14.12.2001
EXPORT OBLIGATIONS FOR AUTOMOBILE INDUSTRY
ALE NARENDRA;SUSHIL KUMAR INDORA;ZORA SINGH MANN

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether export clause was made mandatory for automobile companies during nineties for granting licences to them to manufacture the motor cars etc. in India;

(b) if so, the details thereof;

(c) whether some of those companies have failed to meet their export obligations;

(d) if so, the details thereof alongwith names of such companies;

(e) the total number of motor cars manufactured, sold in India and exported by them during each of the last three years;

(f) the steps taken by the Government against those Companies who failed to meet their export obligations during the above period;

(g) whether the Government have now withdrawn / decided to withdraw export clause; and
(h) if so, the details thereof and the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) to (d) : As per the Policy laid down under Public Notice No.60 dated 12.12.1997, the export clause has been made mandatory for all the ten passenger car manufacturers who have signed Memorandum of Understanding (MOU) with the Government of India committing themselves to achieving a broad neutralization of foreign exchange over the entire period of MOU in terms of balancing between the actual CIF Value of imports of CKD/SKD Kits/Components and the FOB value of exports of cars and auto components The period for this export obligation commences from the 3rd year of commencement of production. Policy stipulates a moratorium of 2 years during which MOU signing firm need not fulfill any export commitment.From 3rd year onwards, these firms would have an export obligation equivalent to the CIF value of imports made by them till that time for the remainder of the MOU period to complete the entire export obligation. Most of the MOUs were signed in the year 1998-99 & 1999-2000. Therefore, the period of fulfillment of export obligation is still not over. However, these companies have already started their exports. Hence the question of a company not fulfilling export obligation does not arise at this stage.

(e) : A statement is annexed as Annexure-I.

(f) : As per the answer to parts (a) to (d), question does not arise at this stage.

(g) : No, Sir.

(h) : Question does not arise.

ANNEXURE - I

STATEMENT REFERRED TO IN REPLY TO PART (e) OF LOK SABHA UNSTARRED QUESTION No.4185 ANSWER ON 14.12.2001 SHOWING THE FIGURES (FIRM WISE) RELATING TO PRODUCTION, SALE AND EXPORT OF PASSENGER CARS DURING LAST THE LAST THREE YEARS 1998-99, 1999-2000 & 2000-2001.

S.No.	Name of firm	Production			Sales (in India)			Exports		
		98-99	99-2000	2000-01	98-99	99-2000	2000-01	98-99	99-2000	2000-01
1.	Daewoo Motors India Ltd.,	NA	NA	NA	10121	39021	41409	0	1196	1551

2. Fiat India Automobiles Ltd 9869 16039 NA 10101 20589 9370 16 157 0

3. Ford India Ltd. NA NA NA 3233 8023 17922 0 0 0

4. General Motors India Ltd., 3240 3108 8324 3520 3029 8183 4 18 81

5. Hindustan Motors Ltd. 20248 26673 25774 20115 26860 25677 0 0 0

6. Honda Siel Cars India Ltd., NA NA NA 9631 9684 9997 0 14 14

7. Hyundai Motor India Ltd., 18056 75306 81740 17648 75851 80960 0 44 5759

8. Maruti Udyog Ltd. 330395 398669 342248 303077 376643 329438 23446 20943 15025

9. Mercedes Benz India Ltd., 1188 436 880 622 601 716 494 292 0

10. Toyota Japan 0 3580 25394 0 3519 25375 0 0 0

(Source : SIAM)